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ABSTRACT

The author continues in this pamphlet his critique of the report of the National Commission on the Financing of Postsecondary Education. The subject is accountability and the issue is the development of national procedures and national standards for the varied institutions found in higher education. The author finds deficiencies in the report as: (1) failing to provide adequate discussion of the problems involved in financing institutions of higher education; (2) failing to discuss access to graduate or graduate professional programs; and (3) failing to say anything about the financing of research and public service. However, the report's stress on accountability is valid. Higher Education must establish units of measurement and enumerate outputs in terms of these units. Moreover, it needs to be stressed that accountability is more than quantities. It is up to higher education to make accountability an instrument of enlightenment rather than a weapon of repression. (Author/PG)

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ACCOUNTABILITY IN HIGHER EDUCATION

In this issue, John D. Millett continues his critique of the report of the National Commission on the Financing of Postsecondary Education. The subject is accountability and the issue is the development of national procedures and national standards for the varied institutions to be found in higher education. The article first appeared as a discussion paper before the Annual National Conference on Higher Education of the American Association for Higher Education in Chicago last month. Dr. Millett is Vice President and Director of the Management Division of the Academy for Educational Development.

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INSTITUTIONAL ACCOUNTABILITY

by John D. Millett

The recent report of the National Commission on the Financing of Postsecondary Education contains this emphatic statement (p. 176): "Institutions of postsecondary education must employ procedures that will enable funders to determine whether resources are being used to achieve the outcomes the funders desire." There follows an admonition to the effect that the price of independence for colleges and universities is accountability.

The report of the National Commission argues that accountability is of two kinds: the faithful observance of regulations concerning the handling of funds, the safety of employees and students, the observance of civil rights procedures, and "other matters of public concern"; and the outputs of instruction, research, and public service. And, we are told, in order to develop this second kind of accountability, we shall have to define measurable objectives of higher education and then utilize these units of measurement in the reporting of actual accomplishment.

In a later chapter of the report, after the discussion of "strengthening accountability," "current expectations of accountability," "the role of information in improving accountability," and "obstacles to improved accountability," there follow three conclusions and five recommendations. They conclude: 1) the most useful unit data for administrators and policy makers are the direct, indirect, and full annual per-student costs of instruction for each major field of study, level of instruction, and type of institutions; 2) cost-per-student calculations are technically possible for most instructional programs at most institutions; and 3) policy makers should not rely solely on annual per-student costs of instruction for the policy decisions affecting higher education.

The National Commission recommends: 1) the federal government should provide continuing leadership in encouraging and developing national standard procedures for calculating the direct, indirect, and full annual cost of instruction per student by level and field of study; 2) interim national standard procedures for calculating these costs per student should

be adopted by the federal government to be implemented by institutions on a voluntary basis; 3) federal support should be provided for the development and reporting of financial and program data to supplement and extend the cost-per-student data; 4) the federal government should ensure that the data base assembled by the Commission is updated, maintained, and made available to appropriate public and private agencies; and 5) the federal government should support a national center for educational information, collecting and publishing the kinds of cost and output data outlined in the National Commission report.

I do not wish to appear unduly critical of the report of the National Commission on the Financing of Postsecondary Education, and I shall carefully refrain from any comments which might be construed as arguments *ad hominem*. At the same time, I think the report of the National Commission does require careful assessment rather than blind acceptance. (I must add that in my experience I have never known of any study or report on the subject of higher education to receive blind acceptance, and I assume that this report will be no exception to the rule.)

Contributions of the Commission

I must give credit to the National Commission for the contributions it has made. In addition to the array of data collected and reported (some of which, I regret to say, do not seem to me to provide appropriate categorical distinctions, such as the necessary difference between philanthropic contributions to current operations and to capital assets), the National Commission has set forth a set of higher education objectives and a set of criteria for measuring achievement. If others of us in higher education do not like these particular objectives and these particular performance criteria, we have the option of developing our own.

Furthermore, the National Commission has developed a so-called "analytical model" to forecast the results from alternative choices in making policy decisions about the allocation of resources to higher education. Without assessing the adequacy of the simulation model employed in this particular instance, let us observe that the model does endeavor to respond to the primary objective of the legislative directive to the Commission. In preparing the legislation which became the Education Amendments of 1972, the House and Senate subcommittees on education heard pleas from the higher education community for institutional grants from the federal government as well as for expanded grants to students. It was entirely appropriate that the subcommittees should have asked for data about the consequences and the impact of both approaches to higher education financing. And it is not surprising that the higher education community flubbed the response to this request.

Whatever the faults and deficiencies of the analytical model of the National Commission, the two subcommittees of the Congress now have available to them data which purport to indicate the consequences of various patterns of financing institutions of higher education and of financing students of higher education. This analytical model, I submit, is going to prevail in the policy decisions of the federal government when the Education Amendments of 1975 are written unless the higher education community produces another model or conclusively demonstrates the inadequacy of any simulation model for all of higher education at this time in the art of higher education management.

Deficiencies of the Report

As I see the report of the National Commission, it is deficient in several vital respects. First, it fails to provide an adequate discussion of the problems involved in financing institutions of higher education. The financing of students and the financing of institutions are not either-or propositions. It is going to do little good to finance the access of students if we do not worry also about the financing of institutions. I wish the National Commission had made this fact doubly clear. In addition, the National Commission has emphasized access to associate and baccalaureate programs. Almost nothing has been said about access to or the conduct of graduate and graduate professional programs. Moreover, the report deals primarily with the financing of instruction and says almost nothing about the financing of research and public service.

I am disposed to accept, however, the basic assertions of the National Commission about the importance of accountability. And I recognize, as must we all, the deficiencies in our capacity to define the desired outputs of our higher education programs as well as our failures to determine units of measurement for program performance. My major concern is the fear that in our quest for accountability we shall move too fast toward the development of national procedures and national standards for a social institution which is still characterized by variety and diversity. I think we still have some careful and precise analysis to undertake about the very nature of higher education as a social institution before we move rapidly to develop procedures and standards presumed to be applicable

An Addition to *A Guide . . .*

Cornell University's Center for Urban Development Research is offering the course, "Higher Education Planning—Department, Campus and State Levels," in their Summer Institute '74 from June 9 to June 14. The faculty for the course will include Kermit C. Parsons and Michael K. Toomey. For further information, write:

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to all of the 3,000 campuses which comprise the higher education sector of postsecondary education. And I might add that this is the only sector which I am worrying about today.

The Issue of Accountability

Before we discuss accountability in detail, and especially before we discuss the desirability of a federal government role in prescribing procedures and standards for output measurement, let us consider just what the role of the federal government in higher education financing is. The report of the National Commission tells us that the federal government provided 27 percent of the "total support" of higher education in 1971-72, but this is a gross calculation combining support of institutions and support of students. If we look at the reported data about support of institutions, we find that 16 percent of institutional support came from the federal government, while state and local governments contributed 36 percent of all income. Apart from some uncertainty whether or not all of this reported income was available for current operations, there is a failure to indicate what income was restricted for what uses. Accountability, as the National Commission points out, means faithfulness and integrity in the handling of financial affairs, and the use of income for the purposes specified by the funding source is a major part of fiscal accountability.

It is clear to me that the proposed Interim National Standards for Deriving Per Student Costs are intended to be applicable to the instructional expenditures of colleges and universities. Under the current program classification structure proposed by the National Center for Higher Education Management Systems, however, indirect costs of instruction are going to vary greatly, depending upon the scope and magnitude of the academic support programs, of the student support programs, of the institutional support programs, and even possibly of the student aid programs. For example, to include the costs of auxiliary services such as student housing and feeding in the indirect costs is going to make a great deal of difference in the expenditure experience between a college or university enrolling primarily commuting students and an institution enrolling primarily students housed by the institution.

It seems to me that we are as yet a long way from having in higher education any clearcut definition of outputs, of the costs of producing those outputs, and of the income available for meeting costs. There is no doubt in my mind that much of the federal government subsidy of research within universities is also a subsidy of graduate instruction, especially at the doctoral degree level. I know of one research university where the costs of operating the agricultural experiment station have been included in the costs of educating graduate students in agriculture and in the biological sciences. In one of its reports, the Carnegie Commission on Higher Education made the arbitrary assumption that 25 percent of all federal government subsidy of university research was utilized to support doctoral study and that 75 percent was not. I would be inclined from my observation to expect that the correct assumption would be more likely the reverse proportion, especially if one includes health science research in relation to the costs of medical education.

Conclusions

Let us accept the proposition that accountability means responsibility for the results of the higher education endeavor. And let us acknowledge that the principal thrust of the accountability mood of the moment is to link dollars expended with results achieved. I am convinced that there is no escaping the proposition or the thrust. The only quarrel higher education can have with the expectation of accountability is a quarrel with any notion which equates results with quantities. After all, students are not products, and faculty members are not machines.

I think we need to do all we can in higher education to establish units of measurement and to enumerate our outputs in terms of these units. But we must not fall into the trap of thinking that these units are anything more than a representation of reality, an impression of reality. Moreover, we need to emphasize that accountability has aspects other than quantities. Higher education needs to be informative in every way possible, to deal with all persons above board and with complete candor. Higher education must insist at all times that it is faithful to its lawful duty and operates only upon the basis of principle. It is unfortuate that so many spokesmen for higher education give an impression in the public forum of having something to conceal, of being less than forthright in responding to questions about purpose and performance.

One reason for this circumstance is the fact that too often the information about our operations is imprecise. We have not given appropriate attention to management information systems. We have asked our publics to accept our good works as an article of faith. We continue to behave as if higher education was still a two billion dollar a year business as it was in 1950 rather than a 30 billion dollar a year business as it is in 1974.

In 1973 the Public Administration Service published a pamphlet written by Burton D. Friedman entitled *The Quest for Accountability*. The target audience for this useful commentary was primarily state and local units of government. In the present state of our paranoia, higher education may derive some comfort from the fact that governments are also worried about accountability. But the words of advice directed by Friedman to state and local governments I find equally applicable to higher education.

Friedman suggests that accountability involves three stages: a definition of objectives, an audit of performance, and an evaluation of results accomplished. Furthermore, he asserts that the basic requirements of accountability are information, standards, and comparisons. He then proceeds to offer various items of practical advice about how to fulfill these aspects of accountability.

I think we may reasonably expect in higher education that more and more demands will be made for evidence of accountability. I believe that for the present these demands should be met by individual colleges and universities in the private sector and should be met by individual colleges and universities and by state boards of higher education in the public sector. I do not see the need for the federal government to establish national standards for accountable performance, but I recognize that some kinds of demands upon the federal government for financial assistance to higher education will generate national standards and national accountability.

It seems to me that if we don't want a national system of higher education, we would do well to confine our financial expectations for federal government assistance to two primary areas of activity: the financing of student access to higher education and the support of research. I think I could make a strong and convincing case for this emphasis. But the matter of relevance here is the relationship between federal financing and national standards of accountability. Federal financing will determine the scope of federal government demands for accountability. I believe we in higher education would do well to confine federal accountability to the two areas of equality of access to higher education and of federal support of research.

The problems of objectives, priorities, performance, outcomes, and costs, and of comparisons of outcomes and costs call for a variety of effort and a diversity of approach. Recently, the Management Division of the Academy for Educational Development published a classification of 2,945 different campuses as they were reported by the Office of Education for 1972-73. Our classification structure was an adaptation and a simplification of that utilized by the Carnegie Commission for Higher Education and our data are two years more recent than those of the Carnegie Commission. The point in this kind of classification is to demonstrate the variety of kinds of higher education enterprises which exist in the United States and to emphasize that comparisons, if they are to be made among institutions, need to be made among like institutions.

In this classification and enumeration, we listed 59 leading research universities, 39 other research universities, and 132 other doctoral degree granting universities. We counted 241 comprehensive colleges and universities with enrollments above 3,500 students; 963 general baccalaureate colleges, 1,118 two-year colleges, 241 bible colleges and religious seminaries, 41 separate medical colleges, 34 other schools for the health professions, 51 separate schools of engineering and technology, 22 separate schools of business, 52 separate schools of art and of music, 11 separate schools of law, 22 separate teachers colleges, and 40 other specialized schools (including four military academies and one merchant marine academy). It is going to be very difficult to make meaningful comparisons among these many different kinds of institutions, and the idea of any national set of standards to be met by these institutions in terms of performance and costs in abhorrent.

Complexity, variety, and diversity, however, are not excuses for a failure to acknowledge the obligations of accountability. Every college or university must be accountable for the results of its endeavors and for the costs devoted to these endeavors. Accountability in society should be a welcomed response to our quest for more economic resources. Every institution of higher education must demonstrate today that is has defined its objectives, that it does audit its performance, that it does evaluate its accomplishment. Every institution must develop its own standards of expected performance, have its own management information system, be prepared to compare performance and costs with those of other institutions.

It will be said that comparisons require common definitions of data elements, and this is true. But comparisons can be made on less than a national basis, and can involve such methods and procedures as are appropriate to particular places at particular times for particular kinds of institutions.

Accountability is with us and will remain with us. It is up to higher education to make accountability an instrument of enlightenment rather than a weapon of repression.

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